

Message Text

SECRET

PAGE 01 STATE 217681
ORIGIN NEA-10

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03
NSAE-00 PA-01 SP-02 SS-15 NSCE-00 SSO-00 ICAE-00
INRE-00 MCE-00 ACDA-12 AID-05 OMB-01 TRSE-00 HA-05
SAA-01 SES-02 /074 R

DRAFTED BY NEA/ARP:BBODINE/L/PM:TBOREK
APPROVED BY NEA:WCRAWFORD
DOD/ISA:TOWILLIAMS
DOD/DSAA:RVIOLETTE
T:LBROWN
PM/SAS:TALLITTO
NEA/RA:WGROSS
NEA/ARP:APBURLEIGH
P:TMILLER
S/P:ARAPHEL

-----116789 260427Z /21

O R 260008Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA IMMEDIATE
INFO AMEMBASSY SANA
AMEMBASSY MANAMA
CHUSMTM DHAHRAN
USMTM RIYADH
SECDEF WASHDC 1095

S E C R E T STATE 217681

E.O. 11652: GDS

TAGS: MASS, SA, YE, BA, US

SUBJECT: PROPOSED EXCHANGE OF NOTES ON NON-TRANSFER
ASSURANCES
REFS: (A) JIDDA 5782, (B) STATE 198372, (C) JIDDA 6046

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1. DURING AUGUST 6 MEETING REPORTED REF A SAUDIS PROPOSED
AN EXCHANGE OF NOTES ON THE RETRANSFER TO A FOURTH COUNTRY
OF US-ORIGIN EQUIPMENT TRANSFERRED FROM SAUDI ARABIA TO A
THIRD COUNTRY. THIS EXCHANGE OF NOTES WOULD BE IN ADDITION
TO NOT IN LIEU OF NON-TRANSFER ASSURANCES REQUIRED BY US
LAW FROM RECIPIENT COUNTRY DIRECTLY TO USG AND ASSURANCES
SAG MAY OBTAIN FROM RECIPIENT.

2. SUCH AN EXCHANGE OF NOTES BETWEEN OUR TWO GOVERNMENTS WOULD ADD LITTLE REAL SAUDI CONTROL OVER FURTHER DISPOSITION OF THE EQUIPMENT BEYOND THAT OBTAINED FROM NON-TRANSFER ASSURANCES THEY SECURE DIRECTLY FROM RECIPIENT (AND THEIR MORE SUBTLE BUT EFFECTIVE CONTROL VIA FINANCIAL SUPPORT AND OTHER AID GRANTED THAT COUNTRY). WE RECOGNIZE HOWEVER THE FELT NEED WITHIN THE SAG FOR SOME SENSE THAT THEY NOT ABDICATE CONTROL OVER EQUIPMENT TRANSFERRED FROM THEIR OWN INVENTORIES TO A THIRD COUNTRY'S. WHILE WE CANNOT AGREE TO AN EXCHANGE OF NOTES GIVING THE SAG AN EFFECTIVE VETO

OVER USG CONSENT FOR SUCH TRANSFERS, WE WOULD BE PREPARED TO CONSIDER AN EXCHANGE OF NOTES WHEREBY WE AGREE TO PRIOR CONSULTATIONS WITH SAG BEFORE GIVING OUR CONSENT. THIS, WE BELIEVE, IS RESPONSIVE TO THE SAUDI DESIRE FOR A SENSE OF RESIDUAL CONTROL, AND IS IN KEEPING WITH THE SPIRIT OF COOPERATION AND CONSULTATIONS WHICH MARKS OUR JOINT EFFORTS ON SUCH MATTERS. AT THE SAME TIME IT PERSERVES ULTIMATE DISCRETION ON OUR PART IN MAKING SUCH TRANSFER DECISIONS SHOULD THE UNLIKELY EVENT ARISE THAT OUR INTERESTS AND VIEWS ON A PARTICULAR RETRANSFER NOT COINCIDE.

3. FYI: PROPOSED SAUDI AGREEMENT WOULD BE A MARKED DEPARTURE FROM CURRENT FMS PRACTICE AND POLICY. LEGAL OBLIGATION CONDITIONING USG AUTHORITY TO CONSENT TO RE-
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TRANSFERS UPON SAG CONCURRENCE WOULD BE UNPRECEDENTED AND WOULD UNDULY RESTRICT OUR ABILITY TO TAKE ACTION IN FURTHERANCE OF OUR INTERESTS SHOULD THOSE INTERESTS DIFFER FROM THOSE OF THE SAG. IT SHOULD ALSO BE NOTED THAT THE QUESTION OF AN EXCHANGE OF NOTES ON RETRANSFER APPLIES ONLY TO THAT EQUIPMENT SAUDIS HAVE TRANSFERRED AND NOT SAUDI FINANCED ITEMS. END FYI.

4. SINCE PRIOR DEPT APPROVAL UNDER CIRCULAR 175 PROCEDURES IS REQUIRED BEFORE WE CAN NEGOTIATE AND CONCLUDE AN AGREEMENT OF THIS TYPE, WE REQUEST EMBASSY DISCUSSION OF OUR PROPOSAL WITH SAG BE IN ONLY THE MOST GENERAL TERMS. IF SAG IS AGREEABLE IN PRINCIPLE TO OUR CONCEPT OF THE NOTES, EMBASSY MAY WISH RAISE POSSIBILITY OF OUR MOVING AHEAD TO SECURE OUR OWN DIRECT NON-TRANSFER ASSURANCES IN INTERIM. TEXT OF PROPOSED NOTE WILL THEN FOLLOW SEPTTEL. CHRISTOPHER

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NNN

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Draft Date: 26 aug 1978
Decaption Date: 01 jan 1960
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Litigation Codes:
Litigation History:
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